

Jurisdiction D DME MAC -- Noridian Administrative Services FACT SHEET

January 2006 Contract Award

- On January 6, 2006, CMS announced that Noridian Administrative Services (Noridian) has been awarded the DME MAC contract for Jurisdiction D.
- The states included in Jurisdiction D are: Alaska, American Samoa, Arizona, California, Guam, Hawaii, Idaho, Iowa, Kansas, Missouri, Montana, Nebraska, Nevada, North Dakota, Northern Mariana Islands, Oregon, South Dakota, Utah, Washington, and Wyoming.
- Neither the suppliers nor the beneficiaries serviced by the current DMERC will be adversely affected by the transition to the new DME MAC.
- Noridian has subcontracted with 2 companies: Mandaree Enterprise Corporation (MEC) headquartered in Mandaree, ND; and Electronic Data Systems Corporations (EDS) headquartered in Plano, TX. MEC will provide customer service support. EDS will provide information technology support.
- The total potential contract value, including the base year and four 1-year options, is \$97,443,677.
- Noridian's DME MAC D operations will be headquartered in Fargo, ND. Some operations will also be performed in Jamestown and Grand Forks, ND.
- The DMERC currently servicing the states in Jurisdiction D is Connecticut General Life Insurance Company (CIGNA).
- Noridian will immediately begin working with CIGNA on transition activities. CIGNA will continue to process Medicare claims until the transition to Noridian is complete. Noridian will be fully operational as the DME MAC on July 1, 2006.
- As of 2004, approximately 7,467,406 Medicare beneficiaries reside in the states in this jurisdiction. Also, approximately 19% of the national DME claims workload is in this area. As of August 2005, 24,874 DME suppliers provide services in this area.
- There will be an overall reduction in the number of staff that Noridian will need to employ in comparison to CIGNA. This reduction is due to both increased efficiencies of the DME MACs and the shift of work to functional contractors including the Qualified Independent Contractors, Payment Safeguard Contractors, Beneficiary Contact Center, Common Front End maintainer, and Consolidated Data Centers.
- Noridian will have a staff of approximately 140 full time employees.

- Approximately 285 CIGNA DMERC employees in Tennessee and Idaho are potentially affected by this DME MAC award.
- CMS is not requiring Noridian to offer positions to any of the staff of the incumbent DMERC. Noridian recognizes the value of the Medicare knowledge of the DMERC's staff. As part of its recruitment strategy, Noridian indicates it will recruit employees from CIGNA who are willing to relocate to North Dakota.